

14:40 06 Nov RTRS-Swiss grain trader Romak set to sue Uzbekistan

LONDON, Nov 6 (Reuters) - Swiss grain trader Romak said on Thursday it was preparing to take legal action to recover \$10.8 million owed by the government of Uzbekistan.

The move follows Tashkent's refusal to pay for 40,600 tonnes of Kazakh wheat delivered by Romak in July/August 1996, despite an international arbitration award in Romak's favour by the Grain and Feed Trade Association (GAFTA) in London. That ruling became final a month ago.

"We are investigating our options for action. The next step is to sue to try and arrest Uzbek property," a company spokesman told Reuters at a conference in London.

The dispute follows the delivery of wheat by Romak to state-owned trading firm Uzdon.

The shipment followed a failure to deliver by another Uzbek company, Odil. The Uzbek government pre-paid over \$8 million to Odil for the wheat but the grain was never received after Odil became bankrupt.

Uzdon claims Romak should be paid by Odil but this argument was rejected by GAFTA.

Uzbek officials have not commented on the dispute.

-- Ben Hirschler, London newsroom +44 171 542 6414

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